

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED-FPSC
00 DEC - 7 AM 11:53
RECORDS AND REPORTING

DATE: DECEMBER 7, 2000

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYÓ)

FROM: DIVISION OF REGULATORY OVERSIGHT (T.WILLIAMS) *TW*
DIVISION OF LEGAL SERVICES (ELLIOTT) *JAE 2.P.7.* *bl*

RE: DOCKET NO. 001518-TI - REQUEST FOR APPROVAL OF ZONE TELECOM, INC., INDIRECT WHOLLY OWNED SUBSIDIARY OF e-KING GROUP LIMITED, TO ACQUIRE SELECTED ASSETS OF THE FURST GROUP, INC. (HOLDER OF IXC CERTIFICATE NO. 3171), AND REQUEST FOR VARIANCE OR WAIVER OF RULES.

AGENDA: 12/19/00 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\RGO\WP\001518.RCM

CASE BACKGROUND

On October 2, 2000, this Commission received a request for Zone Telecom, Inc. and The Furst Group, Inc. seeking approval for sale of selected assests of The Furst Group, Inc. and a waiver of Rule 25-4.118, Florida Administrative Code, which precludes a change in a customer's presubscribed toll service provider without the customer's prior authorization.

DOCUMENT NUMBER-DATE

15704 DEC-78

FPSC-RECORDS/REPORTING

DISCUSSION OF ISSUES

ISSUE 1: Should Zone Telecom, Inc. and The Furst Group, Inc. request for approval to acquire selected assets from the Furst Group, Inc. be approved?

RECOMMENDATION: Yes. (Williams)

STAFF ANALYSIS: The proposed transfer of certain assets will facilitate competition in the provision of a variety of telecommunications services in Florida. Further, the transfer will serve the public interest in contributing to the full utilization of existing interexchange telecommunications facilities.

Further, the proposed transfer will have no material adverse impact on consumers in Florida. The interexchange service will continue to be provided over the same facilities and infrastructure currently being used. Customer service will continue to be provided on a 24 hours a day, seven days a week schedule.

Accordingly, staff recommends that the request for acquisition of selected assets of The Furst Group, Inc. be approved.

The Commission is vested with jurisdiction over the matter through the provision of Sections 364.01 and 364.503, Florida Statutes. Accordingly, staff believes the recommendation is appropriate.

ISSUE 2: Should Zone Telecom, Inc. be relieved in this instance of the interexchange carrier selection requirements of Rule 25-4.118, Florida Administrative Code?

RECOMMENDATION: Yes. (Elliott)

STAFF ANALYSIS: Pursuant to Rule 25-4.118(1), Florida Administrative Code, the provider of a customer shall not be changed without the customer's authorization. Rule 25-4.118(2)

DOCKET NO. 001518-TI
DATE: DECEMBER 7, 2000

Florida Administrative Code, provides that an IXC shall submit a change request only if one of the following has occurred:

(a) The provider has a letter of agency from the customer requesting the change.

(B) the provider has received a customer-initiated call for service.

(c) A third party firm has verified the customer's requested change.

As stated in Rule 25-24.455(4), Florida Administrative Code, the Commission may grant a waiver to the extent that it determines that it is consistent with the public interest to do so. Further, the Commission may grant the petition in whole or part, may limit the waiver to certain geographic areas and/or may impose reasonable alternative regulatory requirements on the petitioning company.

Staff believes that in this instance it is in the public interest to waive the carrier selection requirements of Rule 25-4.118, Florida Administrative Code. The companies have provided for a seamless transition while ensuring that the affected customers understand available choices with the least amount of disruption to the customers. As stated in the application, the customers will receive ample notification of the transfer and have the opportunity to participate or change to another carrier at no cost to the customer. If prior authorization is required in this event, customers may fail to respond to a request for authorization, neglect to select another carrier, and lose their long distance service. Furthermore, Staff believes that granting this waiver will avoid unnecessary slamming complaints during this transition. Accordingly, staff recommends that the interexchange carrier selection requirements in Rule 25-4.118, Florida Administrative Code, be waived for the Zone Telecom, Inc's consolidation.

The Commission has approved a similiar request in Docket No. 001541-TI, at the request of MCI.

The Commission is vested with jurisdiction to grant such a waiver through the provision of Rule 25-24.455(4), Florida Administrative Code. Accordingly staff believes the recommendation is appropriate.

ISSUE 3: Should this docket be closed?

DOCKET NO. 001518-TI
DATE: DECEMBER 7, 2000

RECOMMENDATION: If no person whose substantial interests are affected by the Commission's Proposed Agency Action, files a protest within 21 days of the issuance date of the order, this docket should be closed. (Elliott)

STAFF ANALYSIS: This docket should be closed, if no person whose substantial interests are affected by the Commission's Proposed Agency Action, files a protest within 21 days of the issuance date of the order.